STATE OF VERMONT PUBLIC SERVICE BOARD

DOCKET NUMBER 8400

PETITION OF CHAMPLAIN VT, LLC, D/B/A TDI NEW ENGLAND, FOR A CERTIFICATE OF PUBLIC GOOD, PURSUANT TO 30 V.S.A. SECTION 248, AUTHORIZING THE INSTALLATION AND OPERATION OF A HIGH VOLTAGE DIRECT CURRENT (HVDC) UNDERWATER AND UNDERGROUND ELECTRIC TRANSMISSION LINE WITH A CAPACITY OF 1,000 MW, A CONVERTER STATION, AND OTHER ASSOCIATED FACILITIES, TO BE LOCATED IN LAKE CHAMPLAIN AND IN THE COUNTIES OF GRAND ISLE, CHITTENDEN, ADDISON, RUTLAND, AND WINDSOR, VERMONT, TO BE KNOWN AS THE NEW ENGLAND CLEAN POWER LINK PROJECT

October 20, 2015 9:30 a.m.

112 State Street Montpelier, Vermont

Technical Hearing held before the Vermont Public Service Board, at the Third Floor Conference Room, People's United Bank Building, 112 State Street, Montpelier, Vermont, on October 20, 2015, beginning at 9:30 a.m.

PRESENT

BOARD MEMBERS:

James Volz, Chairman Margaret Cheney Sarah Hofmann

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CHAIRMAN VOLZ: Good morning everyone. 1 2 This is a technical hearing in Public Service Board 3 Docket Number 8400 which concerns the petition of Champlain Vermont LLC, doing business as TDI New 4 5 England, for a Certificate of Public Good pursuant to 30 V.S.A. Section 248 authorizing the installation 6 7 and operation of a high voltage direct current (HVDC) underwater and underground electric transmission line 8 9 with a capacity of 1,000 megawatts, a converter 10 station, and other associated facilities to be 11 located in Lake Champlain and in the Counties of 12 Grand Isle, Chittenden, Addison, Rutland, and 13 Windsor, Vermont to be known as the New England Clean Power Link. 14 15 I would like to start by taking notices 16 of appearance. 17 MS. GRACE: Sheila Grace for the 18 Department of Public Service. 19 MS. ELIAS: Jeanne Elias for the 20 Department of Public Service. 21 MR. BROWN: Kevin Brown for the Town of 22 Rutland. 23 MS. AZARIA: Dale Azaria for the Division of Historic Preservation. 24

MS. McDONALD: Elizabeth McDonald for

1	the Agency of Natural Resources.
2	MR. EINHORN: Don Einhorn also here for
3	the Agency.
4	MS. LEVINE: Sandra Levine for
5	Conservation Law Foundation.
6	MR. LOUGEE: Adam Lougee for the Addison
7	County Regional Planning Commission.
8	MR. RAUBVOGEL: Andy Raubvogel for
9	Petitioner Champlain VT, LLC.
10	MR. HAND: Geoff Hand for Petitioner.
11	MS. WESTGATE: Victoria Westgate also
12	for Petitioner.
13	CHAIRMAN VOLZ: Any other parties?
14	MR. SCIARROTTA: Mark Sciarrotta for
15	VELCO.
16	MS. ANDERSON: Carolyn Anderson, Green
17	Mountain Power.
18	CHAIRMAN VOLZ: All right. Those are
19	all the parties then. There are there's a motion
20	that we need to decide and then we have to talk about
21	a couple other matters. Are there any other let
22	me start with that. There's an Addison County
23	Regional Planning Commission motion to admit
24	evidence. Is there any objection to that motion?

MR. RAUBVOGEL: None.

1 CHAIRMAN VOLZ: Okay. Then it's 2 admitted or it's granted I mean. 3 We also -- I understand we've got a number of witnesses today, a panel, and then from the 4 5 TDI New England and then a witness from the 6 Department, but other than that we're just going to be admitting all the other testimony that was 7 prefiled into evidence. Should we start with that, 8 9 doing that now? 10 MR. RAUBVOGEL: Sure. CHAIRMAN VOLZ: Thanks. And you don't 11 12 need to go into great detail. Just identify the 1.3 witness and the exhibits that go with each witness in 14 the general sense. You know 1 through 20, whatever 15 it is. You don't have to go through each individual 16 exhibit. 17 MR. MARREN: And, Mr. Lougee, since your 18 exhibit -- the motion to admit was granted, if you could just mark it and hand it to the court reporter 19 20 when you have a chance. Thank you. 21 MR. LOUGEE: Thank you very much. 22 CHAIRMAN VOLZ: Go ahead. 23 MR. RAUBVOGEL: Would you like TDI to go first? 24

CHAIRMAN VOLZ: Yes.

MR. RAUBVOGEL: So I'm going to skip the

Jessome panel for now. I'll do everybody else.

CHAIRMAN VOLZ: Right. The witnesses who aren't testifying today we want to do first, and then we want you to file affidavits to support that testimony of the witnesses who aren't filing today, and you should do that as soon as possible. That's for all parties who file prefiled testimony, including ANR and the Department, Department of Historic Preservation.

MR. RAUBVOGEL: We have provided the Board staff with a copy of our comprehensive exhibit list. That has been marked as TDI-1. So we're going to move for that to be admitted as well just to keep track of the exhibits and testimony.

The first witness who is not in attendance is Alan Wironen. So it's just the prefiled direct testimony and supplemental prefiled testimony of Alan Wironen and exhibits TDI AW-1 through AW-4 and AW-2 and AW-3 REV.

MR. MARREN: Mr. Raubvogel, just to clarify for that witness there were two revised exhibits, AW-3 and -- 2 and 3. Are you just offering the revised version?

MR. RAUBVOGEL: I actually was planning

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on putting everything in. I've got it here. I was
planning to do it that way.

MR. MARREN: Okay.

MR. RAUBVOGEL: Prefiled direct
testimony of Larry Eng and supplemental prefiled

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testimony of Larry Eng and supplemental prefiled testimony of Larry Eng and Mr. Eng's exhibits LE-1 through LE-5.

The prefiled direct testimony of Todd Singer. Supplemental prefiled testimony of Todd Singer. Exhibits TS-1 through TS-4 and TS-2 -- I'm sorry. TS-1 through TS-5 and TS-2 REV through TS-4 REV.

Prefiled testimony direct testimony of Thomas Kavet and supplemental prefiled testimony of Thomas Kavet, and exhibits TK-1 and TK-2.

Prefiled direct testimony of Jeffrey
Nelson. Supplemental prefiled testimony of Jeffrey
Nelson. TDI-JAN-1 through JAN-12 and TDI JAN-3REV
through -- let me go back. The exhibits are TDI
JAN-1 through TDI JAN-14H. That includes several of
those exhibits that have revised labels on them as
well, all of which are noted on the exhibit list.

Prefiled direct testimony of Seth

Parker. Supplemental prefiled testimony of Seth

Parker, and SGP-1 through SGP-13.

1	Prefiled direct testimony of Kenneth
2	Kaliski, and exhibit KK-1 through KK-3.
3	Prefiled direct testimony of Michael
4	Buscher exhibits MB-1 and MB-2.
5	Prefiled direct testimony of Kristen
6	Heitert and supplemental prefiled testimony of
7	Kristen Heitert, and exhibits KDH-1 and KBH-2.
8	Prefiled direct testimony of Stephen
9	Olausen and supplemental prefiled testimony of
10	Stephen Olausen. Exhibits SAO-1 through SAO-3.
11	Prefiled direct testimony of Sean
12	Murphy. Supplemental prefiled testimony of Sean
13	Murphy. Exhibits SM-1 through SM-7. SM-2REV.
14	Prefiled direct testimony of Dr. William
15	Bailey and exhibits WHB-1 through WHB4.
16	Prefiled direct testimony of Andrew
17	Thuman. Exhibits AT-1 through AT-3.
18	Prefiled direct testimony of Christopher
19	Sabick, supplemental testimony of Christopher Sabick,
20	and exhibits CRS-1 and CRS-2.
21	The only other item is Mr. Nelson in his
22	supplemental Jeffrey Nelson adopted the testimony
23	of Galen Guerrero-Murphy, and so that's going to be
24	included as part of Mr. Nelson's testimony.
25	CHAIRMAN VOLZ: Is that all of your

1	testimony and exhibits now?
2	MR. RAUBVOGEL: That is everything other
3	than the Jessome
4	CHAIRMAN VOLZ: The witnesses who are
5	going to testify live?
6	MR. RAUBVOGEL: Correct.
7	CHAIRMAN VOLZ: Any objection to
8	admitting all of that testimony?
9	MR. EINHORN: No.
10	CHAIRMAN VOLZ: Okay. It's admitted and
11	exhibits they are admitted as well.
12	(The Prefiled Testimonies of Alan
13	Wironen, Larry Eng, Todd Singer, Thomas Kavet,
14	Jeffrey Nelson, Galen Guerrero-Murphy, Seth
15	Parker, Kenneth Kaliski, Michael Buscher,
16	Kristen Heitert, Stephen Olausen, Sean Murphy,
17	William Bailey, Andrew Thuman, Christopher
18	Sabick were admitted into the record.)
19	(TDI exhibits marked 1, AW 104, AW 2&3
20	REV, LE 1-5, TS 1-5, TS 2-4REV, TK 1-2, JAN
21	1-5, JAN 6A-C, JAN-7, JAN-8, JAN9A-B, JAN-10,
22	JAN11A-B, JAN-12, JAN-3REV, JAN-11A-REV,
23	JAN-11B-REV, JAN-12REV, JAN-13A-F, JAN-14 A-H,
24	SGP 1-13, KK 1-3, MB 1-2, KBH 1-2, SAO 1-3, SM
25	1-7, SM-2REV, WHB 1-4, AT 103, CRS 1-2 were

admitted into the record.) 1 2 CHAIRMAN VOLZ: Now other parties have 3 filed prefiled testimony so I would just as soon go through the other parties' testimony now as well. 4 5 We'll start with the Department next. MS. GRACE: So we have the prefiled 6 7 testimony of John Woodward and the prefiled testimony of Bill Jordan, and we actually do have their 8 9 affidavits as well if you would prefer us to file 10 those now or to file them with the Clerk, as you wish. 11 12 CHAIRMAN VOLZ: You can bring them up 13 now, but they don't need to be identified as exhibits 14 now or anything. File them with us. That's it for 15 your witnesses? 16 MS. GRACE: Yes. 17 CHAIRMAN VOLZ: Any objection to 18 admitting that testimony and those exhibits? 19 MR. EINHORN: No. 20 CHAIRMAN VOLZ: They are admitted. 21 (The Prefiled Testimony of John Woodward 22 and Bill Jordan was admitted into the record.) 23

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1	MR. MARREN: Just to clarify that was
2	just testimony. There were no exhibits.
3	CHAIRMAN VOLZ: Sorry. Next party going
4	down the line who filed testimony.
5	MS. AZARIA: The Division For Historic
6	Preservation has the prefiled testimony of Scott
7	Dillon and James Duggan. We have no exhibits.
8	CHAIRMAN VOLZ: Okay. Any objection to
9	that testimony? Okay. It's admitted.
10	(The Prefiled Testimony of Scott Dillon
11	and James Duggan was admitted into the
12	record.)
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1 MS. McDONALD: The Agency of Natural 2 Resources we have a list of things to move into 3 evidence. We have the ANR exhibit 1 which is the index of prefiled testimony and exhibits. Then we 4 5 have the prefiled testimony of Doug Blodgett and his Exhibit ANR-DB-1; the prefiled testimony of Kevin 6 7 Burke and his exhibit ANR-KSC-1; the prefiled testimony of Scott Darling and his exhibit ANR-SD-1; 8 9 the prefiled testimony of Rob Evans and his exhibit 10 ANR-RE-1; the prefiled testimony of Jeff Merrell, his exhibit ANR-JM-1; the prefiled testimony of Adam 11 12 Miller and his exhibit ANR-ADM-1; the prefiled 1.3 testimony of Bernie Peintka and his exhibit ANR-BP-1; 14 the prefiled testimony of Robert G. Popp and his 15 exhibit ANR-RP-1; the prefiled testimony of Michael B. Smith and his exhibits ANR-MBS 1 through 3. 16 17 CHAIRMAN VOLZ: Any objection to 18 admitting that testimony? 19 MS. GRACE: No. 20 CHAIRMAN VOLZ: And those exhibits? 21 Okay. They are admitted. 22 (The Prefiled Testimonies of Doug 23 Blodgett, Kevin Burke, Scott Darling, Rob 2.4 Evans, Jeff Merrell, Adam Miller, Bernie

Peintka, and Michael B. Smith were admitted

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1	into the record.)
2	(ANR Exhibits marked 1, DB-1, KSC-1,
3	SD-1, RE-1, JM-1, ADM-1, BP-1, RP-1, MBS 1-3
4	were admitted into the record.)
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1	CHAIRMAN VOLZ: Any other parties here
2	that have filed testimony?
3	MR. SCIARROTTA: VELCO filed the
4	prefiled testimony of Christopher Root with one
5	exhibit which has been marked as VELCO CR-1, and that
6	is Mr. Root's CV.
7	CHAIRMAN VOLZ: Okay. Any objection to
8	admitting that testimony and exhibit?
9	MS. GRACE: No objection.
10	CHAIRMAN VOLZ: That is admitted as
11	well.
12	(The Prefiled Testimony of Christopher
13	Root was admitted into the record.)
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1	(Exhibit VELCO-CR-1 was admitted into the
2	record.)
3	MS. ANDERSON: Green Mountain Power has
4	the prefiled testimony of Greg White and Lawrence
5	Kirby. We will file our affidavit, I do not have
6	that today, and forward the testimony to JoAnn.
7	CHAIRMAN VOLZ: Okay. Any objection to
8	that testimony and exhibit? Okay. It's admitted.
9	(The Prefiled Testimony of Greg White
10	and Lawrence Kirby was admitted into the
11	record.)
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1	MR. LOUGEE: Just going to bring this up
2	to the Clerk.
3	CHAIRMAN VOLZ: And what is that you're
4	bringing up?
5	MR. LOUGEE: It's the exhibit you
6	admitted earlier, the letter.
7	CHAIRMAN VOLZ: Thank you. Any other
8	testimony and exhibits we need to admit? Have all
9	the parties delivered their testimony and exhibits up
10	front here at this point or is there some who haven't
11	done that yet?
12	MS. AZARIA: Do you want copies of the
13	prefiled testimony?
14	CHAIRMAN VOLZ: Right. You're supposed
15	to bring copies for the court reporter and us.
16	Great. Thanks. Yes.
17	MS. GRACE: Just so you're aware BED did
18	file testimony and an exhibit and they are not here
19	as far as I can tell.
20	CHAIRMAN VOLZ: Okay. All right.
21	MS. GRACE: Just want to inform you of
22	that.
23	CHAIRMAN VOLZ: Does anybody have any
24	objection to admitting BED's testimony and exhibits?
25	MR. RAUBVOGEL: No.

1	CHAIRMAN VOLZ: Then we'll admit them
2	and we're assuming they'll file an affidavit later.
3	Wait for that affidavit to be effective essentially.
4	(The Prefiled Testimony and prefiled
5	exhibits of Green Mountain Power were admitted
6	into the record.)
7	CHAIRMAN VOLZ: Okay. Any other
8	preliminary matters? So I understand the company has
9	a panel of three witnesses they want to call.
10	MR. RAUBVOGEL: We do.
11	CHAIRMAN VOLZ: Okay.
12	MR. RAUBVOGEL: TDI calls Donald
13	Jessome, Eugene Martin, and Josh Bagnato.
14	CHAIRMAN VOLZ: I just have a question
15	for you, Mr. Raubvogel. If we have questions about
16	the stipulation, are these the witnesses that can
17	answer it?
18	MR. RAUBVOGEL: They are.
19	CHAIRMAN VOLZ: Okay. Good.
20	BOARD MEMBER CHENEY: I'll swear you in
21	as a group.
22	DONALD JESSOME, EUGENE MARTIN, JOSHUA BAGNATO,
23	Having been duly sworn, testified
24	as follows:
25	DIRECT EXAMINATION

BY MR. RAUBVOGEL:

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- Q. Please identify yourselves for the record?
- A. (Mr. Jessome) Donald Jessome.
 - A. (Mr. Bagnato) Josh Bagnato.
 - A. (Mr. Martin) Eugene Martin.
 - Q. Did you file prefiled testimony and exhibits in this case?
 - A. (Mr. Jessome) Yes.
 - Q. Do you have copies of those with you?
 - A. (Mr. Jessome) Yes.
 - Q. Can you first turn to your prefiled direct testimony? All right. If you would -- do you have before you the prefiled direct testimony filed on December 8, 2014?
- A. (Mr. Jessome) Yes.
 - Q. And is that testimony -- do you -- first of all, do you have any corrections that you have made to that testimony?
 - A. (Mr. Bagnato) Yes.
 - Q. Are those the corrections that were filed yesterday?
 - A. (Mr. Bagnato) Yes.
- Q. Do you have any additional corrections to that testimony?
- 25 A. (Mr. Bagnato) Not to this testimony.

Okay. And did you also file with your direct 1 Q. testimony exhibits JMB-1 through JMB-18 of your direct 2 3 testimony? Α. (Mr. Bagnato) Yes. 4 Would you also now turn to your supplemental 5 Q. 6 Did you file supplemental testimony on August testimony? 26, 2015? 7 8 (Mr. Bagnato) Yes. Α. 9 Ο. And did you also file exhibits JMB-4 REV 10 through JMB-6 REV, JMB-7 through JMB-26? 11 (Mr. Bagnato) Yes. Α. 12 And have you also made corrections to that Q. 1.3 testimony as of yesterday? 14 Α. (Mr. Bagnato) Yes. 15 And do you have any additional corrections to any testimony or exhibits in that supplemental filing? 16 17 (Mr. Bagnato) Yes. One additional correction Α. 18 which is --19 To your testimony or exhibits? Q. 20 (Mr. Bagnato) It's to an exhibit. Α. 21 And what is the exhibit number? Q. 22 (Mr. Bagnato) JMB-25A. Α. 23 Q. JMB-25.24 Α. (Mr. Bagnato) JMB-25. Thank you.

And is that the Vermont VTrans lease option

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agreement?

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- A. (Mr. Bagnato) Yes, it is.
- Q. And what is the correction?
- A. (Mr. Bagnato) On section 6 under -- this is page 3 under paragraph A --
- Q. Are you in the lease option or the exhibit to the lease option?
 - A. (Mr. Bagnato) This is the lease agreement.
 - Q. Go back one page.
- A. (Mr. Bagnato) This is exhibit A, lease agreement.
 - Q. Okay. And what page are you on?
 - A. (Mr. Bagnato) Page 3 paragraph A about halfway down it there's a typo here. We refer to VELCO as Vermont Electric Cooperative and it should say Vermont Electric Power Company.
 - Q. And does it have VELCO in parentheses next to it?
 - A. (Mr. Bagnato) It does.
 - Q. Is that the only change that you have?
 - A. (Mr. Bagnato) Yes.
 - Q. So is the testimony and exhibits that you have filed to your knowledge true and accurate copies of your testimony and exhibits?
- 25 A. (Mr. Jessome) Yes.

1	MR. RAUBVOGEL: TDI moves for the
2	admission of the identified testimony and exhibits.
3	CHAIRMAN VOLZ: I only heard one person
4	answer that question.
5	MR. JESSOME: Yes.
6	MR. MARTIN: Yes.
7	CHAIRMAN VOLZ: Thank you. All three of
8	you have answered now. It's true and accurate to the
9	best of your knowledge?
10	MR. JESSOME: Yes.
11	MR. MARTIN: Yes.
12	MR. BAGNATO: Yes.
13	(The Prefiled Testimony of Donald
14	Jessome, Eugene Martin, and Joshua Bagnato was
15	admitted into the record.)
16	(Exhibits marked TDI JMB 1-26, 4REV-6REV
17	were admitted into the record.)
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BOARD MEMBER HOFMANN: Can I ask a 1 2 question about that exhibit before we leave it? And 3 the question is I guess to -- Mr. Bagnato was answering it. Vermont Electric Power Company has 4 5 agreed to that change to the lease agreement or these are with VTrans, right? 6 7 MR. BAGNATO: Yes. This is a VTrans lease agreement. It was brought it our attention 8 9 this morning that we had mistakenly used the wrong 10 utility name there and then they asked us to correct 11 it. 12 BOARD MEMBER HOFMANN: And you will be 1.3 notifying VTrans? MR. RAUBVOGEL: We will, and just to be 14 15 clear we don't view that as a change to the 16 It's an administerial error. agreement. 17 CHAIRMAN VOLZ: Because it was always 18 intended to be VELCO? 19 MR. RAUBVOGEL: Correct. As it says in 20 parentheses. CHAIRMAN VOLZ: I just want -- because 21 22 you're testifying as a panel I just want to worn you 23 about how we do that, what it means to be a panel. 24 Because you filed joint testimony whenever we ask --25 anybody asks you a question -- asks the panel a

1	question and one of you answers it, the others need
2	to listen to the answer and speak up if you don't
3	agree. We're assuming that the answer from any one
4	of you is good for all of you, and so if one of your
5	colleagues says something you don't agree with, you
6	have to speak up now or else it will be deemed that
7	you agree with it.
8	MR. JESSOME: Okay.
9	CHAIRMAN VOLZ: I think we have
10	questions.
11	MR. RAUBVOGEL: The witnesses are
12	available for cross examination.
13	CHAIRMAN VOLZ: I think we're the only
14	ones who have questions for them as I understand.
15	MR. RAUBVOGEL: Mr. Brown from Rutland I
16	believe.
17	CHAIRMAN VOLZ: Do you have any
18	questions, Mr. Brown?
19	MR. BROWN: Yes. Who should I be
20	talking to?
21	MR. RAUBVOGEL: I think you should just
22	direct the question and then they are going to figure
23	out who is the right person.
24	CROSS EXAMINATION

BY MR. BROWN:

1	Q. I just want to focus on 251 where the project
2	crosses Creek Road in town.
3	MR. RAUBVOGEL: Are you in exhibit AW-2
4	REV?
5	MR. BROWN: Right, and sheet 251.
6	MR. RAUBVOGEL: This is an oversize
7	exhibit.
8	CHAIRMAN VOLZ: Go ahead.
9	MR. BROWN: I was waiting to make sure
10	everybody is ready.
11	CHAIRMAN VOLZ: All right. Go ahead.
12	BY MR. BROWN:
13	Q. Would you explain how the power line crosses
14	Creek Road please?
15	A. (Mr. Martin) The power line crosses Creek
16	Road it actually goes underneath Creek Road with a HDD,
17	horizontal directional drill. It also bypasses a fluvial
18	two fluvial streams there. It's a 700-foot HDD.
19	Q. And U.S. Route 4 is an overpass over Creek
20	Road?
21	A. (Mr. Martin) Yes.
22	Q. And will the Board do you know what the
23	limits of the town right-of-way is for Creek Road?
24	A. (Mr. Martin) I do not.
25	Q. Will all the boring I want to use the right

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terminology. The pit that you dig to start the bore where 1 is that going to --2 (Mr. Martin) That will be in the VTrans 3 Α. right-of-way. 4 5 Q. Okay. And how far to the west of Creek Road 6 give or take? 7 Α. (Mr. Martin) Approximately 40, 50 feet from 8 Creek Road. 9 Okay. And then there's also a pit on the east 10 side of Creek Road? (Mr. Martin) That's correct. There will be a 11 Α. receiving pit on the other side. 12 13 Q. And how far will that be from --14 Α. (Mr. Martin) About 700 feet away. 15 From the start of the pit on the west side? Q. 16 (Mr. Martin) Correct. Α. 17 Okay. And how deep in relation to the surface Q. 18 of Creek Road will the line be when it passes underneath? 19 Α. (Mr. Martin) About 18 feet below Creek Road. 20 Below the grade of Creek Road? Q. (Mr. Martin) Correct. 21 Α. 22 And does the Petitioner have a permit from the Q. 23 town yet for boring under Creek Road? 24 Α. (Mr. Martin) No.

MR. BROWN: We have a legal issue we're

discussing about whether a local permit under 19

V.S.A. 1111 is required to work in the town

right-of-way, but that's something that Andy and I

are talking about and will work out, but I wanted to

get the facts out before the Board in case we prefile

which I don't expect we'll have to do.

CHAIRMAN VOLZ: Thank you. Does that conclude your questioning then?

MR. BROWN: Yes it does.

CHAIRMAN VOLZ: Any other questions from the witnesses from any other party? I think the Board staff has questions and the Board itself may.

MR. COTTER: Good morning, Gentlemen. I just have a few questions for you and they are really mostly of a clarifying nature. The first one is about exhibit TDI-JMB-7A which is the first amendment to the stipulation between TDI and VELCO. I'll give you a second to get there.

The first sentence of paragraph 16 refers to both FERC order 1000 and then it says quote another regional cost sharing mechanism, and I just wanted to get clarification. Would that phrase incorporate the possibility of PTF funding through ISO-New England?

MR. JESSOME: That was not the

1 intention. It was more the intention with respect to 2 the Governor's initiative that was -- several years 3 ago was being bantered around and NESCO becoming involved in potentially a transmission project being 4 5 built and being socialized across the New England 6 market. 7 It's a fairly generic MR. COTTER: 8 phrase and I just want to make sure if there's any regional sharing that ends up allocating a portion of 9 10 project costs to Vermont ratepayers would that phrase cover it? 11 12 MR. JESSOME: Yes. It does. 1.3 MR. COTTER: Okay. Exhibit TDI-JMB-19B, 14 which is the amendment to the stipulation between 15 TDI, the Department, Agency of Natural Resources, and 16 the Department, or excuse me, the Division For 17 Historic Preservation, and this one, I'm sorry, it's 18 going to sound a little tortured, but --19 MR. BAGNATO: We're not there yet. 20 MR. RAUBVOGEL: Exhibit 19B, which if 21 you go to 19 it's at the end of the green sheet. 22 MR. COTTER: Just let me know when 23 you're there.

MR. JESSOME: We are there.

MR. COTTER: You are. Okay.

It says in

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the event that paragraph 16 of the July 24, 2015
agreement between TDI and Vermont Transco, VELCO for
short, applies to this project, then the Department
will use its best efforts to minimize Vermont's
regional share of the New England Clean Power Link's

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costs.

Excuse me. Just -- the July 24, 2015 agreement with VELCO is the agreement that addresses the PV20 line and does not have a paragraph 16. Is it possible that the reference should be to the December 4, 2014 agreement as amended by agreement dated August 20, 2015? I could refer you to exhibit JMB-7A if that helps you answer.

MR. JESSOME: That is correct.

MR. COTTER: Thanks. Sorry for the confusion. It took a little while to put it together.

Exhibit JMB-19A, the July 17, 2015 stipulation between TDI, the Department, the Agency of Natural Resources and Historic Preservation, if you could turn to page 6, paragraph 3D, the second sentence says the parties further acknowledge that these benefit payments, and that's in reference to the public benefit funds, are being or may be used in several regulatory obligations of TDI New England

which are necessary for the completion of this project.

What regulatory obligations are being referred to in that sentence?

MR. JESSOME: I believe what that's referring to is the application -- the lake encroachment application we have with Vermont ANR. They also need to do, as I understand, a public trust balance in their review of that application. I believe that's the other regulatory obligation that's referring to.

MR. COTTER: I just want to make sure that the public trust benefits are not going to be diverted for some reasons if a regulatory obligation pops up for TDI. They are going to go where they are intended to go?

MR. BAGNATO: Correct.

MR. COTTER: Thank you. Same document on page 3 paragraph 3(A)(i). It says the Vermont electric ratepayer benefit through VELCO remains the same as in the Section 248 petition; i.e. an average of 3.4 million per year for 40 years.

Is the amount of the ratepayer benefit affected by the amendment to the agreement with VELCO which provides for indemnification in the event of

1 regional cost sharing? 2 MR. JESSOME: It would if regional cost 3 sharing is used by the project, but under the current status of the project this would be -- 3.4 million 4 5 would be accurate for the analysis. MR. COTTER: Okay. But you wouldn't 6 7 contest that in the future if there's regional cost sharing that that number would be affected by that? 8 9 MR. JESSOME: It would not be affected. 10 MR. COTTER: What do you mean it would not be? 11 12 MR. JESSOME: Other than the amount to 1.3 VELCO would increase by the regional cost sharing to ensure that the 3.4 million is not affected. 14 15 MR. COTTER: Okay. I understand. 16 That's all I have, Jim. Excuse me. Mr. Chair. you. 17 CHAIRMAN VOLZ: Okay. Dave. 18 MR. WATTS: I just have a couple In looking at the agreements with the 19 questions. 20 towns I notice there was conditions for doing 21 construction, taxes, and so forth, and TDI having a 22 contact during construction. 23 What I was curious about is after

construction during the operational phase will TDI have a presence in Vermont?

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MR. JESSOME: Yes. 1 2 MR. WATTS: Okay. So if there were 3 something that occurred, they had an event such as a washout or something like that, there would be 4 5 somebody they could contact? MR. JESSOME: Yes. 6 7 MR. WATTS: Also in working with the towns again, and this is in the operational phase, do 8 9 you feel there's any training that might be provided 10 to town crews because they could be the first responders to a washout or somebody struck a splice 11 12 cage? 1.3 The answer is yes. MR. MARTIN: 14 MR. WATTS: Has that training been done? 15 MR. MARTIN: No. Something will be done 16 MR. WATTS: 17 before operation? 18 MR. MARTIN: Something will be done. 19 Yes. 20 Thank you. MR. WATTS: Okay. CHAIRMAN VOLZ: Just so the parties and 21 22 everyone -- I think the staff up here should identify 23 themselves before they ask questions. John Cotter was the Staff Attorney that asked the first round of 24

questions, and Dave Watts, our Engineer, asked the

1 second round. Jake Marren.

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MR. MARREN: Jake Marren. I would like to turn to page 9 of the July 17th stipulation between TDI and the Department of Public Service, and I'm looking at paragraph H which concerns decommissioning, and my question to TDI is how will the decommissioning of the project be funded?

MR. JESSOME: So the funding of the decommissioning will be through an ongoing obligation by the project to have at least 50 percent of the transmission services available, and if it falls below that level, then we would come back and file with the Board to let them know that's occurred.

MR. MARREN: And so I understand that in the stipulation TDI's agreed that if within the first two years you are below 50 percent contracted that you would have a proceeding with the Board to investigate the appropriate -- establish a fund, but if that scenario doesn't occur, then no dedicated decommissioning fund will be established?

MR. JESSOME: That is correct.

MR. MARREN: So then my question is in the event that a fund is not established how would decommissioning be paid for at the end of the useful life of the project?

1	MR. JESSOME: Through the at the very
2	end of the project's life as opposed to just the
3	contractual?
4	MR. MARREN: At the end of the project
5	life.
6	MR. JESSOME: The company would be
7	responsible for decommissioning.
8	MR. MARREN: So
9	CHAIRMAN VOLZ: When you say the company
10	who do you mean?
11	MR. JESSOME: TDI New England.
12	MR. MARREN: Does TDI have any assets?
13	CHAIRMAN VOLZ: And Champlain LLC?
14	MR. JESSOME: And Champlain.
15	MR. MARREN: Does TDI have any other
16	assets besides this transmission line?
17	MR. JESSOME: It does not.
18	MR. MARREN: And so if the transmission
19	line is out of service, what revenues will TDI have
20	to cover those costs?
21	MR. JESSOME: I spoke too soon. We do
22	have real estate in addition to, and we have those
23	existing assets today.
24	MR. MARREN: Any follow-up questions?
25	CHAIRMAN VOLZ: Yes. I had one.

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about the decommissioning parts of the agreement. If you look at JMB-19A, that's the agreement between TDI, DPS, ANR, and DHP, on page 9, which is clause H, on the decommissioning it indicates that if at any time TDI New England's review of those contracts reveals that within two years contracts for use of the transmission line will fall below 50 percent of the total line capacity that's when TDI will notify the Board, correct?

But then in the supplemental testimony on page 24 you indicate about halfway down the page that the -- in the event that the contract revealed the use of the transmission line will fall below 50 percent of its capacity for a two-year period, I don't see anything in the MOU that it has to be for a two-year period. It looks like it's looking out two years, but are you indicating in the testimony that you believe that the revenues have to fall below 50 percent for a two-year period?

MR. JESSOME: So it is forward looking.

That within two years if we're going to drop below 50 percent, that we would notify the Board.

BOARD MEMBER HOFMANN: So the MOU language controls?

MR. JESSOME: Yes.

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BOARD MEMBER HOFMANN: Thank you.

CHAIRMAN VOLZ: I had a housekeeping type question. At page 9 of the stipulation paragraph 7H, at the end of that you say for the duration of the project TDI New England agrees to file each contract with the Public Service Board for the use of the transmission line within 30 days, et cetera. Any objection to filing that with the Department of Public Service as well?

MR. JESSOME: No objection.

CHAIRMAN VOLZ: Okay. Because I think that's what we probably would require that you file it with both of us, not just with us.

MR. JESSOME: Okay.

CHAIRMAN VOLZ: Because we rely on them to monitor you. It's kind of their job. Thanks.

BOARD MEMBER CHENEY: And there are a number of places in different stipulations where the Board is either provided with reports or asked to review and approve various things, and I assume in those cases the Department would be notified as well?

CHAIRMAN VOLZ: We're going to probably require that in our final order. So if you have an objection to that or anybody thought that wasn't a

1 good idea --

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MR. JESSOME: We have no objection to that.

CHAIRMAN VOLZ: Okay. Great.

MR. MARREN: I have one followup question on the topic of decommissioning. You mentioned that TDI also has assets consisting of real estate. Is it TDI's understanding that the value of that real estate will be sufficient to decommission the project?

MR. JESSOME: It probably would not, but given our forward looking requirement, so if let's assume at the end of year 38 we're not -- we couldn't see that 50 percent, we have to come to the Board at that point in time.

MR. MARREN: All right. My next question concerns your testimony of December 8, 2014, your first round of prefiled testimony, on page 36. The topic here is construction staging areas for the over land portion of the project. In the testimony you state that you're working to identify construction staging areas. Have you identified the construction staging areas at this time?

MR. BAGNATO: Well we've identified -- as we indicate in this we've identified three

1	construction staging areas; one in Alburg, one in
2	Benson, and one in Ludlow.
3	MR. MARREN: Do you plan on there being
4	any other construction areas?
5	MR. BAGNATO: Yes. We would plan on
6	there being additional staging areas.
7	MR. MARREN: Have those been identified
8	yet?
9	MR. BAGNATO: No.
10	MR. MARTIN: We intended that we'll
11	apply those in conjunction with the contractor.
12	MR. MARREN: Once those sites are
13	identified does TDI intend to provide notice to
14	adjoining landowners of those sites?
15	MR. MARTIN: Yes.
16	MR. MARREN: And would you also provide
17	notice to ANR and the Department and other parties so
18	they have an opportunity to review those sites?
19	MR. MARTIN: Absolutely.
20	MR. BAGNATO: We would expect those
21	would be in the final design plans. They would be
22	identified clearly in the final design plans.
23	MR. MARREN: And is there I'm sorry.
24	I'm unfamiliar. Is there a plan plan isn't the
25	right word. Do you have a process whereby which when

1	you have final design plans that you present them to
2	the parties?
3	MR. MARTIN: Yes.
4	MR. RAUBVOGEL: I can just answer that
5	in the proposed findings we've submitted one of the
6	proposed CPG conditions is that we would submit final
7	design plans to the Board as a post CPG compliance
8	filing.
9	MR. MARREN: Thank you for clarifying
10	that. I have no other questions.
11	CHAIRMAN VOLZ: Anybody else up here?
12	Any followup to our questions from any of the
13	parties? Any redirect?
14	MR. RAUBVOGEL: If we can have a moment.
15	CHAIRMAN VOLZ: Yes.
16	MR. RAUBVOGEL: None.
17	CHAIRMAN VOLZ: Great. Thank you very
18	much. I think the only other witness we're supposed
19	to hear from today is Mr. McNamara.
20	MS. GRACE: Yes.
21	EDWARD McNAMARA,
22	Having been duly sworn, testified
23	as follows:
24	DIRECT EXAMINATION
25	BY MS. GRACE:

1	Q.	Please state your name and where you are
2	employed?	
3	Α.	My name is Edward McNamara. I'm employed by
4	the Departme	ent of Public Service.
5	Q.	Did you prepare the prefiled testimony dated
6	June 12, 20	15 and the supplemental testimony dated October
7	14, 2015?	
8	Α.	Yes, I did.
9	Q.	Did your testimony include exhibit DPS-EM-1?
10	Α.	Yes, it did.
11	Q.	Could you identify that for the record?
12	Α.	DPS-EM-1 is TDI's response to the second round
13	of the Depa:	rtment's discovery requests, specifically
14	question 10	question and answer 10.
15	Q.	Was your prefiled testimony and your
16	supplementa	l testimony based on your personal knowledge?
17	Α.	It was.
18	Q.	Do you have any corrections to your testimony
19	as written?	
20	Α.	Other than the corrections contained in the
21	supplementa	l testimony, no.
22	Q.	If I ask you the same questions today, would
23	you give the	e same answers?
24	Α.	I would.

MS. GRACE: I move for the admission of

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1	Mr. McNamara's prefiled testimony and his
2	supplemental prefiled testimony as well as exhibit
3	DPS-EM-1.
4	CHAIRMAN VOLZ: Any objection?
5	MR. EINHORN: No.
6	MR. RAUBVOGEL: None.
7	CHAIRMAN VOLZ: They are admitted.
8	(The Prefiled Testimony of Edward
9	McNamara was admitted into the record.)
10	(Exhibit DPS-EM-1 was admitted into the
11	record.)
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MS. GRACE: Mr. McNamara is available 1 2 for questions. 3 CHAIRMAN VOLZ: Do the parties have any questions for Mr. McNamara? 4 5 MR. EINHORN: No. CHAIRMAN VOLZ: We have some. 6 7 MR. COTTER: For the record John Cotter, 8 Staff Attorney at the Board. Mr. McNamara, in your 9 initial prefiled testimony you did spend some time 10 expressing concerns about the project's ability to meet the need criterion. Do you recall that? 11 12 MR. McNAMARA: Yes, I do. 1.3 MR. COTTER: Are you -- or I should say 14 is the Department now satisfied that the project will 15 deliver a sufficient amount of renewable power to meet the need criterion? 16 17 MR. McNAMARA: Yes. I believe Mr. 18 Parker's supplemental testimony adequately concerned -- addressed the concerns I raised in my initial 19 20 testimony. MR. COTTER: Could you just expand on 21 22 that a little bit for the record please? 23 MR. McNAMARA: Sure. In my initial 2.4 testimony I discuss some concerns about whether there 25 were limitations on -- limitations through federal

law primarily and whether there can be any requirements to have renewable power only delivered across the lake.

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Mr. Parker's supplemental prefiled testimony provided a fair amount of testimony on -- or fair amount of evidence on the new renewable resources being developed in Quebec and also the Maritime Provinces, and also was a good reminder that was contained in his initial testimony that it's really states in New England that are looking for only renewable power. If we're going to do long term contracts in New England, it's going to be renewable. We're not really looking to do long term contracts with coal at this point. So I think Mr. Parker's testimony did satisfy the concerns.

MR. COTTER: Okay. Thank you.

CHAIRMAN VOLZ: In other words, the likely buyers in New England who will be buying from Canada and wanting to use the line to bring the power to them are likely to buy power from renewable resources for the most part?

MR. McNAMARA: That's correct. Yes. CHAIRMAN VOLZ: Thanks.

 $$\operatorname{MR.}$ COTTER: I also wanted to touch on in your original prefiled testimony you expressed

some concern about the project's ability to satisfy the economic benefit criterion unless it was a merchant plant, and I just wanted to ask you if the amendment to TDI's agreement with VELCO that requires indemnification from TDI for any regionally allocated costs, that satisfies those concerns?

MR. McNAMARA: It does. My initial testimony raised the issue of if, for example, there was an order 1000 project or funded under order 1000

CHAIRMAN VOLZ: Order 1000 is FERC order 1000.

MR. McNAMARA: FERC order 1000 that

Vermont would be potentially on the hook to pay 2.8

percent of the cost, but there's no -- as of this

date there's no cost containment on competitive

projects such as under order 1000, so that we don't

actually know the total cost and it would be

difficult to do a cost benefit analysis. With the

agreement between VELCO and TDI that concern is

essentially obviated.

MR. COTTER: Okay, and did you hear my question to the panel a few minutes ago about the -- is the July 17, 2015 stipulation among TDI and the various state agencies where paragraph 3(A)(i) says

the ratepayer benefit will remain the same as it was described in the original petition. Is your understanding also that the purpose of the indemnification is if there is a regional cost sharing that the amount that TDI would transfer to VELCO might increase, but the point of that increase is to preserve the amount of ratepayer benefit?

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MR. McNAMARA: Yes. My understanding of Mr. Jessome's response is the payment would never be below the 3.4 million. It might be higher because of the indemnification would be on top of the 3.4 million, but that there would be no less payments to VELCO as a result of the indemnification.

MR. COTTER: Okay. On page 18 of your initial prefiled testimony in your discussion of public good you actually -- it begins on 17 and goes on to 18. You end up recommending that the Board consider not only the impacts of the TDI proposal in this proceeding, but that it also consider the cumulative impacts of any upgrades that are necessary for the project to properly interconnect with the Vermont system. Has that petition changed at all in light of the stipulation with TDI?

MR. McNAMARA: I think the stipulation actually addresses the concerns that were in the

testimony. There are several provisions in the stipulation that specifically address the need to file any sort of ancillary upgrades, permits for ancillary upgrades, and that construction couldn't be completed until after those upgrades had been approved -- until those permits had been approved.

There's also one other provision as well somewhat buried in the stipulation and might not have been clear, however, -- excuse me one second.

MS. GRACE: 4D.

MR. McNAMARA: Thank you. Page 7 of the stipulation, this is paragraph 4D, about a little bit more than halfway through that paragraph the sentence the parties recognize these upgrades may be different than the preliminary list provided by TDI New England to the Department and may require further review of the NECPL under PSB rules regarding amendments to a Section 248 petition if the upgrades materially change any finding or conclusion reached by the Board.

MR. COTTER: So, in other words, if I understand -- I understood your initial testimony to be that as we sit here today before the Board renders a decision it has to somehow understand what all the cumulative impacts of any ancillary projects will be,

but if I understand this, the idea is that if one of those ancillary upgrades really does add to the impact of the project we're considering today, that there is a process in place for the Board to look at that additional impact?

MR. McNAMARA: That's correct.

MR. COTTER: Okay. Thanks. That's very helpful. Exhibit 19A, which is again the July 17th stipulation, on page 10 paragraph 7N, and this is really just curiosity on my part, Mr. McNamara, it's a provision that establishes a mechanism where capacity on the proposed transmission line might be made available to Vermont distribution utilities in the future. What exactly would Vermont distribution utilities do with that capacity other than, for example, purchase power from a renewable facility in Canada?

MR. McNAMARA: I believe it would just be purchasing the power from a renewable source providing the transmission service. So essentially you have access to have that power delivered.

MR. COTTER: Okay. Which actually that brings up another point of curiosity. So what's your understanding about who actually reserves transmission on the line? I guess I was thinking

Is that

that the generating unit would be the one paying the transmission on the line and they would recover those costs as well as the cost of producing their power from the purchasing entity on the other end. not correct? MR. McNAMARA: That's getting outside the scope of my testimony. My understanding is that it depends on the contractual arrangements. For example, it could be Hydro-Quebec, it could be National Grid is paying for the transmission service. It's entirely dependent on the contractual arrangements that TDI would make with either Hydro-Quebec or National Grid.

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MR. COTTER: Okay. Fair enough. same document, the stipulation, exhibit JMB-19A page 10 paragraph 7H.

CHAIRMAN VOLZ: It starts on the bottom of 9.

MR. COTTER: Page 9, yes, and goes over Thank you. The stipulation only to page 10. requires the establishment of the decommissioning fund under certain circumstances and only after a Board review if those circumstances arise.

This strikes me as a departure from what the Department's position has been in numerous cases

recently before the Board where merchant plants have been proposing projects and the Department has taken the position to my knowledge in almost every case that projects like this have a decommissioning fund in place prior to the commencement of construction.

Why the change in position?

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MR. McNAMARA: Again this is a little bit outside the scope of the testimony. I would note that this is part of a comprehensive settlement between the Department and TDI. Also note that there are differences between a merchant generation plant with a fairly short, relatively speaking, useful life compared to a transmission project.

MR. COTTER: But what about the stipulation ensures that at the end of this project's useful life TDI will both have the funds necessary to decommission and expend them?

MR. McNAMARA: I think primarily the fact that these transmission assets have substantial value to them, that these can be used to recoup costs of decommissioning. Very similar to what Mr. Jessome had said in his response to you -- to Mr. Marren's question.

MR. COTTER: You're referring to salvage value?

MR. McNAMARA: Yes.

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MR. COTTER: Okay. Thank you. Same document paragraph 8K, and that would be page 14. So it says any disputes arising under the stipulation shall be resolved by the Board under Vermont law. What would happen if there was an alleged breach of the agreement and the aggrieved party is seeking a remedy that the Board doesn't have the authority to provide? For example, specific performance of the contract.

MR. McNAMARA: Honestly that's more of a legal issue that I think is more of a briefing issue.

I'm not entirely -- I hadn't thought that through.

I'm not prepared to respond to that right now.

MR. COTTER: Okay. Well then I suppose if there is briefing it would be nice to hear the Department's position on that in a brief. That's all I have, Mr. Chairman.

CHAIRMAN VOLZ: Thanks. Any followup to our questioning by any of the parties? Any redirect? Great. Thank you, Mr. McNamara. I believe that's all the witnesses that we have for today.

MR. RAUBVOGEL: Yes.

CHAIRMAN VOLZ: So we'll talk about briefing.

Board.

I have started talking to some of the parties. So as you know we submitted just as an initial effort proposed findings to the Board prior to the hearing with the intention that we would supplement that

MR. RAUBVOGEL: Yes. We would like to.

we can get as many other parties to join, and I understand from Board staff that submitting a joint

after today, and also with the effort to see whether

set of findings is going to be most helpful to the

CHAIRMAN VOLZ: Right.

MR. RAUBVOGEL: So our proposal would be —— it's not clear to me that we're going to need reply briefs. So if we set a schedule, assuming other parties agree, that say three weeks out just to file joint findings, and if we can't reach joint findings parties would file, and I think only if there's really —— we wouldn't need reply briefs unless it was just something that the parties dramatically disagreed about in which case we might need a short time, but otherwise we are looking, if possible, to get this in the Board's hands in time to have a decision by the end of this year. That's what we're requesting. That would allow the project to continue to hit its milestones and actually get to

1 commercialization.

So with the other parties' permission three weeks from now joint filing. If not possible, then separate filings.

CHAIRMAN VOLZ: Right, and then if any party on that day thinks they need an opportunity to file for rely brief, they can request it on that day and propose a date for it, but I mean a week would be what I would be thinking about anyway. So three weeks from today is the 10th, November 10th. Does that work for other people? Anybody have a problem with that?

MR. EINHORN: No.

CHAIRMAN VOLZ: Okay. Great. November 10th. Anything else we need to do today? Thank you. We're adjourned.

(Whereupon, the proceeding was adjourned at 10:35 a.m.)

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1 CERTIFICATE 2 3 I, JoAnn Q. Carson, do hereby certify that 4 5 I recorded by stenographic means the technical hearing re: Docket Number 8400 at the Hearing Room of the Public 6 7 Service Board, 112 State Street, Montpelier, Vermont, on October 20, 2015, beginning at 9:30 a.m. 8 9 I further certify that the foregoing 10 testimony was taken by me stenographically and thereafter reduced to typewriting, and the foregoing 54 pages are a 11 12 transcript of the stenograph notes taken by me of the 13 evidence and the proceedings, to the best of my ability. I further certify that I am not related to 14 15 any of the parties thereto or their Counsel, and I am in 16 no way interested in the outcome of said cause. 17 Dated at Burlington, Vermont, this 21st day 18 of October, 2015. 19 20 Joann Q. Carson 21 22 23 JoAnn Q. Carson 2.4 Registered Merit Reporter

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